

Best Practices Pilot

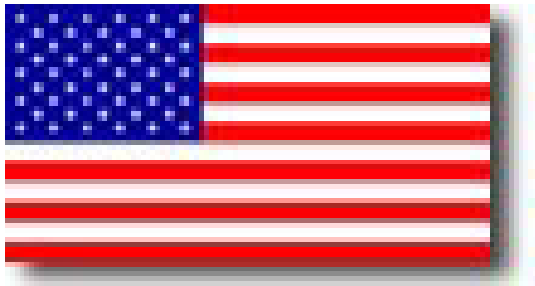
**Dick Nolan, Manager
DOE-Berkeley Site Office**

**Robin Wendt, Deputy
EH&S Division
Lawrence Berkeley National Laboratory**

May 8, 2002

Manage for Performance Results

**“What matters in the end is completion.
Performance. Results. Not just making promises,
but making good on promises. In my Administration,
that will be the standard from the farthest Regional Office
of government to the highest office of the land.”**



*President
George W. Bush*



- **Emphasis on process will be replaced by focus on results**
- **Organizations burdened with overlapping functions, inefficiencies...will function more harmoniously**
- **Management flexibility and authority**

What is a Best Practice?

- **Enables mission success**
- **Assures the contractor is a responsible steward of public resources**
- **Ensures effective and efficient oversight**
- **Defines clear accountability and authority**



Management and Operation Areas Studied

- **Contract management and accountability**
- **Directives implementation**
- **Safety, health, and environment oversight**
- **Security and counterintelligence**
- **Business and personnel policy**
- **Facilities and infrastructure**
- **Construction project management**

Approach and Activities

Form DOE/UC/LBNL Study Team	September, 2001
Visit JPL / follow-up	October, November, 2001
Visit NCAR / follow-up	October, November, 2001
Laboratory Operations Board conference	November, 2001
Information compilation and draft review	December, 2001
Submit draft report	December, 2001
Submit final report	February, 2002

Laboratory Profiles



National Center for Atmospheric Research (NCAR)

- \$160M; 1,290 staff
- Open site; facility-based security
- Cooperative Agreement Contract



Jet Propulsion Laboratory (JPL)

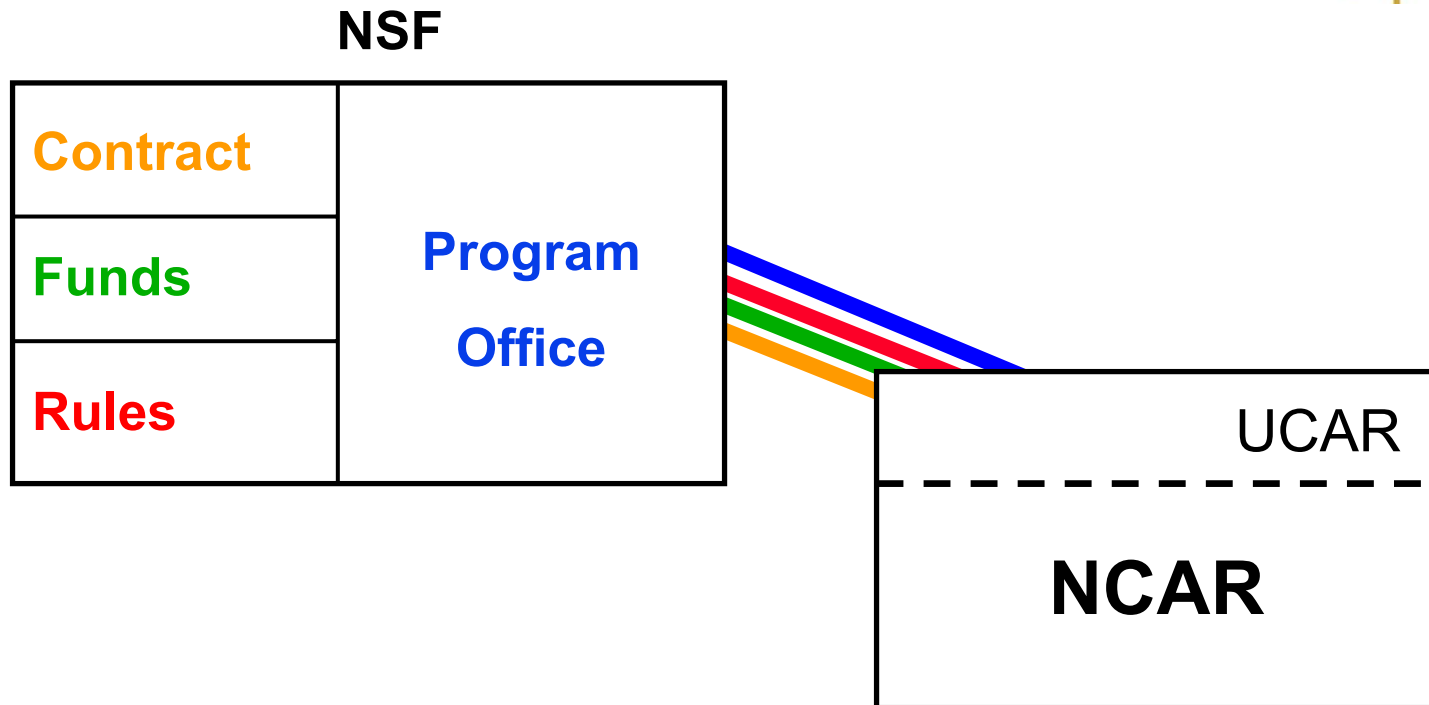
- \$1.30B; 5,200 staff (~10% with clearances)
- Rigorous site and cyber security
- Task Order Contract



Lawrence Berkeley National Laboratory (LBNL)

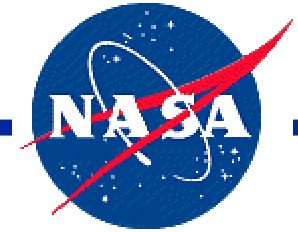
- \$430M; 3,830 staff
- No classified work; appropriate security
- Management and Operation Contract

NCAR – NSF Relationship

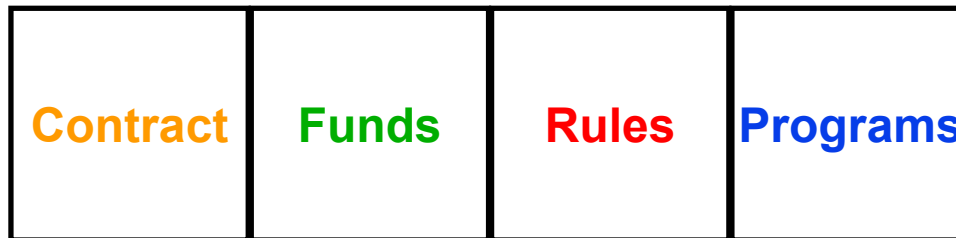


- Mission planning and direction
- Agency rules, directives, and oversight
- Funding plans, budgets, and reports
- FFRDC contract

JPL – NASA Relationship



NASA



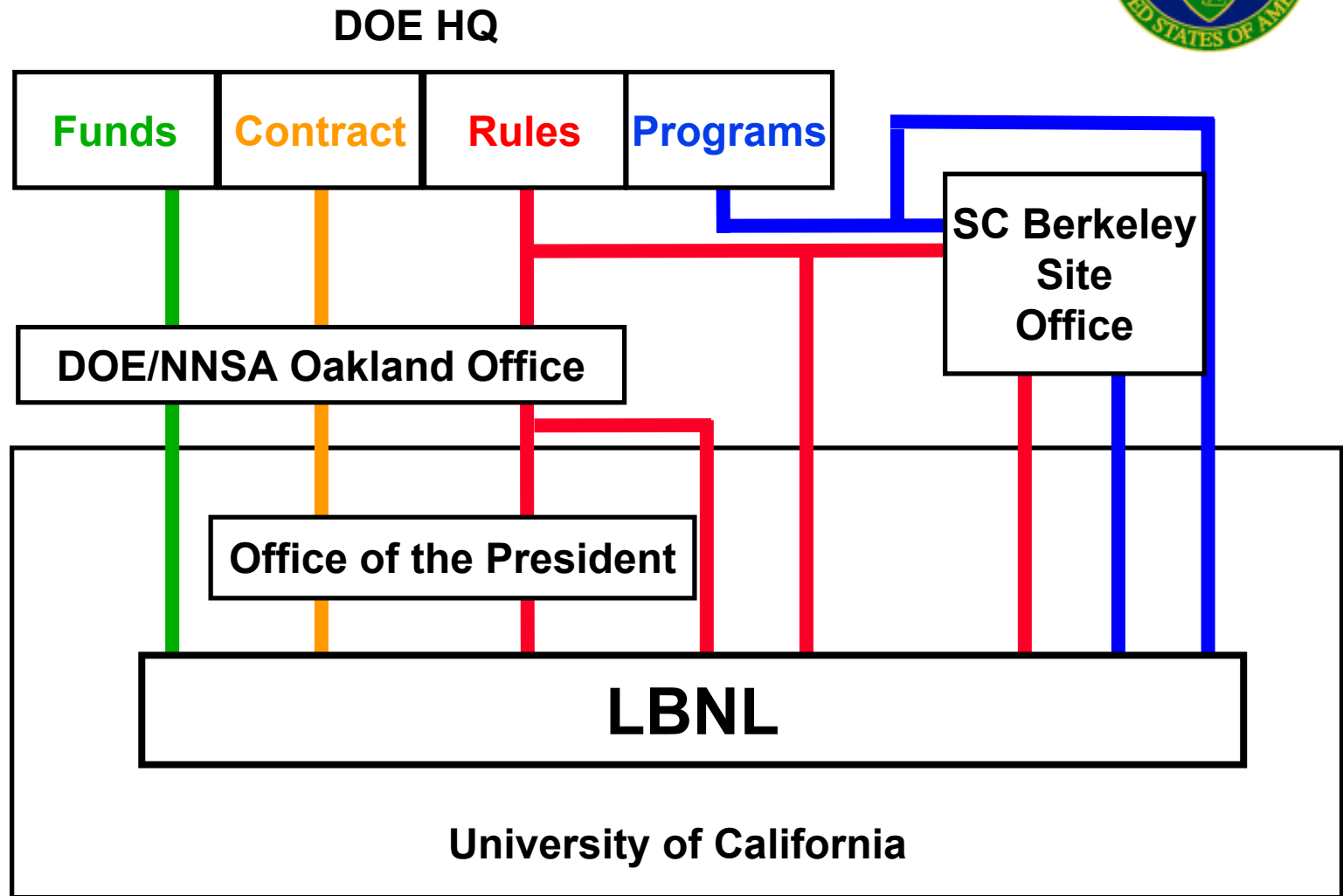
NASA
Management
Office (on JPL site)

CAL TECH

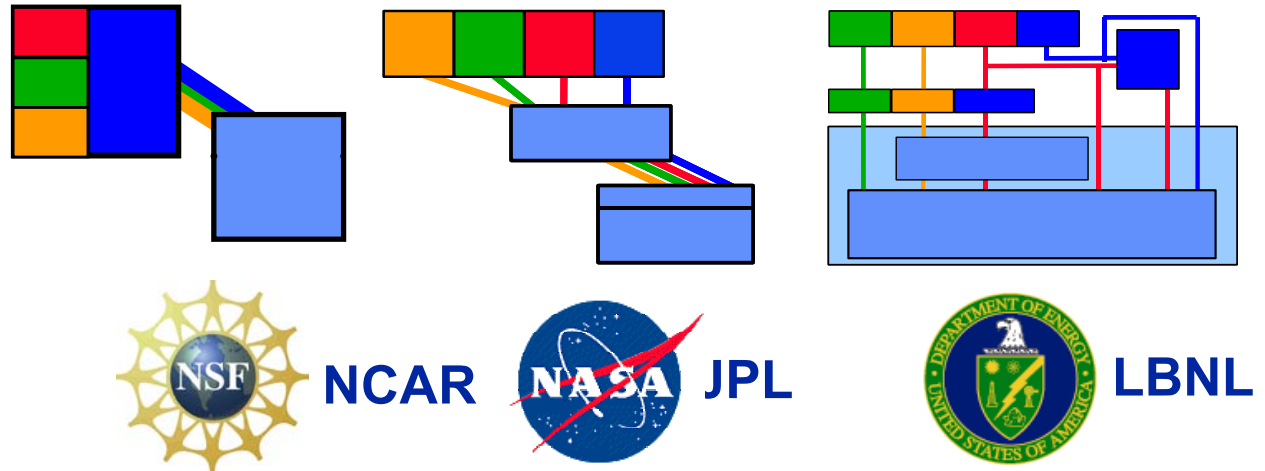
JPL

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LBNL – DOE Relationship



ES&H Program Comparison



Lab ES&H Staff	2.75	40	41
Lab Population	1,290	5,200	3,830
FTEs per 1,000	2.1	7.7	10.7

A Blueprint for Improved DOE Lab Management

- Six best management practices identified
- 30 specific actions recommended

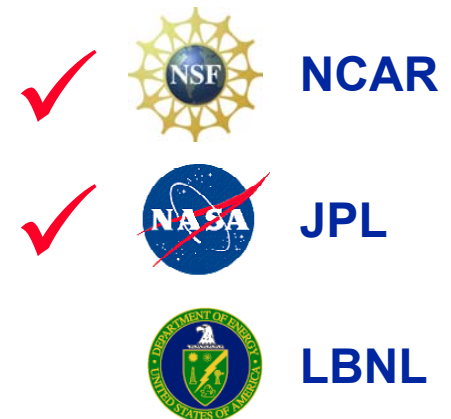
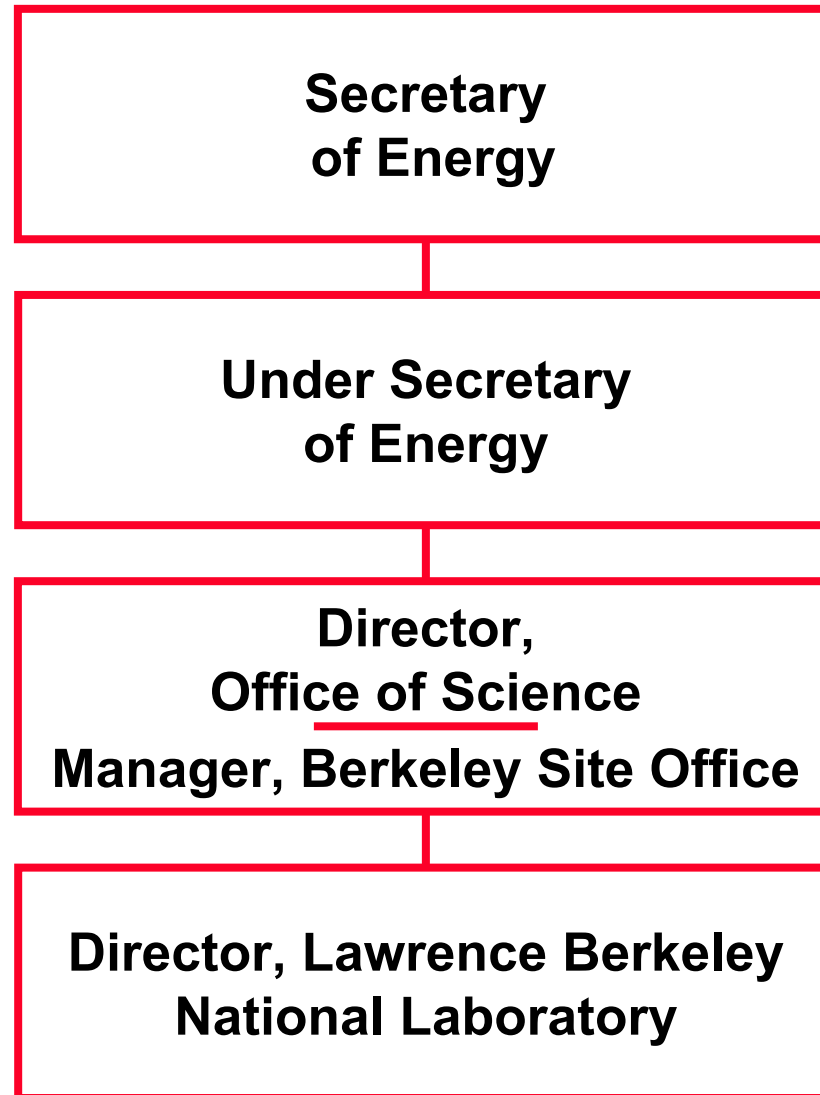


Changes in the roles, responsibilities, and behaviors will be required of DOE and the Laboratory

Best Management Practices

- 1. Create line management accountability**
- 2. Adopt national standards**
- 3. Conduct assurance reviews using external experts**
- 4. Employ bilateral decision process for directives**
- 5. Provide oversight by validation of certified systems**
- 6. Embody best management practices in the FFRDC contract**

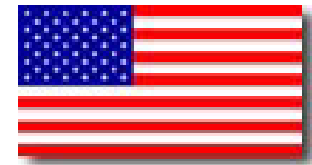
Create Line Management Accountability for the Agency and Contractor



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Adopt National Standards



- Use OMB Circulars for administrative and operational requirements (requirements for non-profit organizations)



- Use external standards for regulation and oversight of EH&S (e.g. OSHA, EPA)



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Conduct Assurance Reviews Using External Experts

Replace transactional financial oversight with a single annual audit by a nationally recognized accounting firm

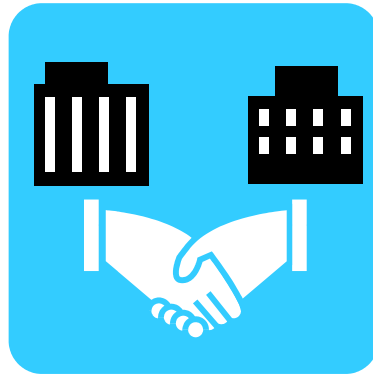


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Employ Bilateral Decision Process for Directives

Bilateral process for tailoring agency directives to site-specific conditions and mission needs



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Provide Oversight by Validation of Certified Systems



- Replace transactional oversight of EH&S with validation of EH&S systems (e.g. ISM, VPP Star, ISO 14001)



- Replace transactional oversight of finances with certification of financial systems



Provide Oversight by Validation of Certified Systems



Enhance DOE/UC/LBNL's performance-based management approach by moving to system-level metrics



NCAR



JPL



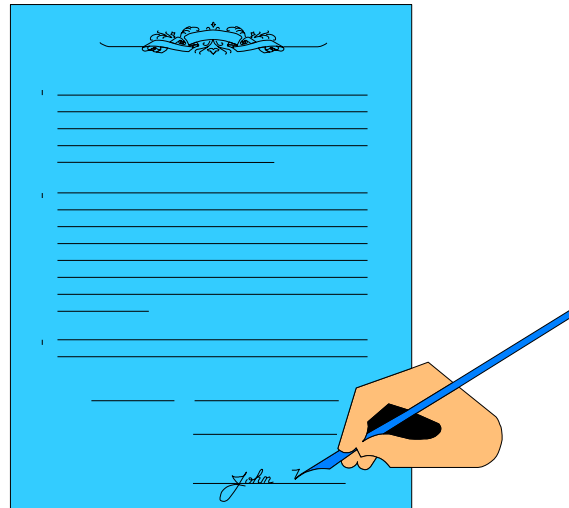
LBNL

Best Management Practices

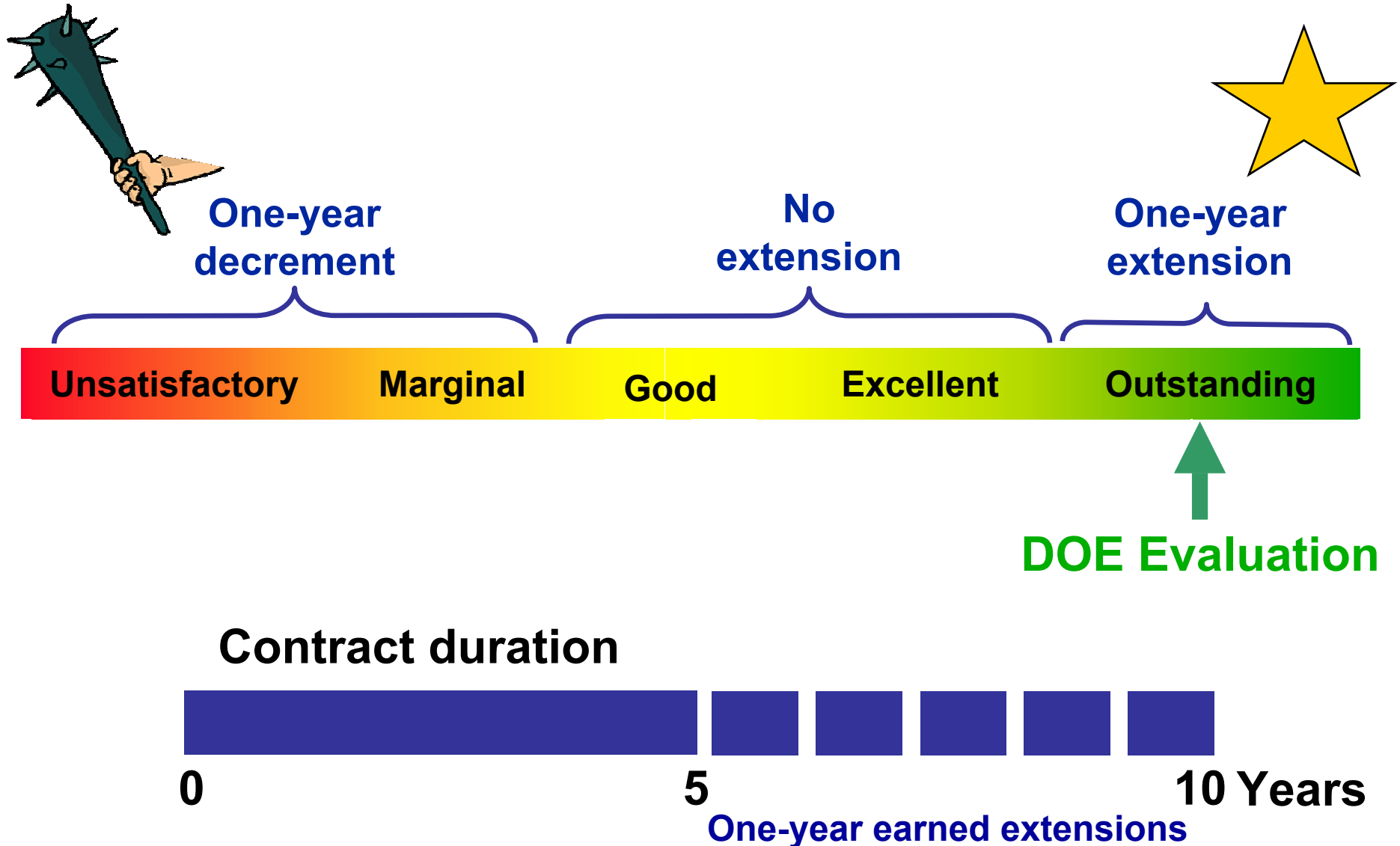
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Embody Best Management Practices in the Contract

**A new contract to test and evaluate
these recommendations**



Incentives and Disincentives: Earned Contract Extension



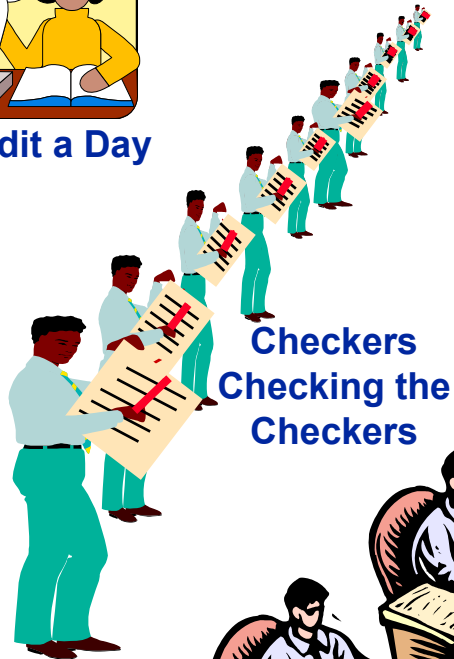
Benefits to DOE



- Costs for Business, Personnel, and ES&H can be reduced by 10 to 30 percent

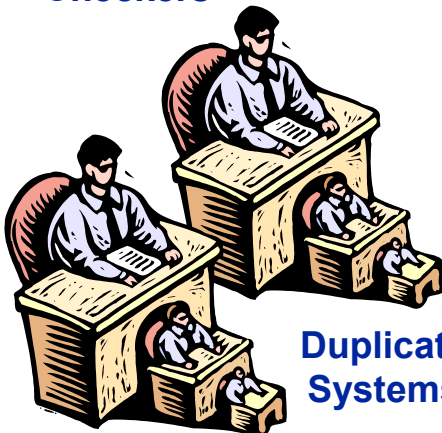


Audit a Day



Checkers
Checking the
Checkers

Redirect
Resources to
Mission and
Institutional
Stewardship



Duplicate
Systems

- Indirect cost control
- DOE infrastructure and equipment renewal
- Human capital development
- Focus on results, not process



Benefits to DOE

- **Increased contractor accountability**



Unclear roles and responsibilities



Inefficient and poor decision making

Clear accountability and authority for results

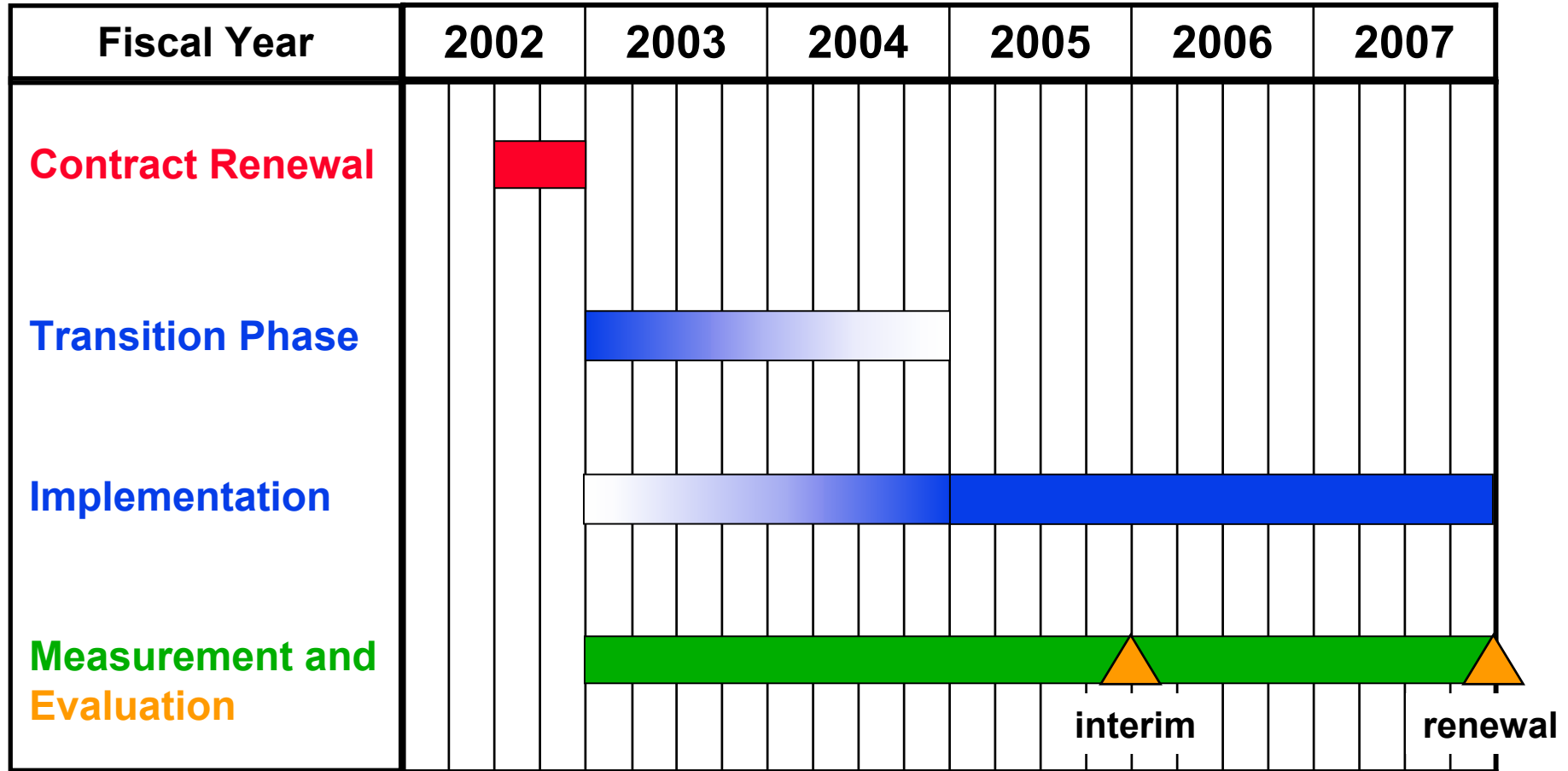


Wasted time

- **Improved responsiveness to Office of Science**
- **Improved performance**
- **Clearly defined incentives and penalties**



Proposed Schedule for Best Practices Pilot



Transition of Major A&O Systems to Best Practices

Major A&O Systems

- Finance
- Human Resources
- Procurement
- Facilities
- EH&S
- Security

**Codify Best Practice
in Contract**

**Performance Metrics for
Certified Systems**

Bilateral Negotiation

External Assurance of Certified Systems

Appropriate National Standards

DOE Line Management Guidance

New Model Contract: Best Practices Principles

Tremendous Opportunity to Enhance Management of DOE National Laboratories

- **Increased accountability of contractors**
- **Focus on results, not process**
- **Cost savings and reinvestment in DOE infrastructure and human resources**

